jtem# 11

City of Carson City Agenda Report

Date Submitted: 5-27-08

Agenda Date Requested: 6-5-08 Time Requested: 10 minutes

To: Carson City Board of Supervisors

From: Carson City District Attorney

Subject Title: Action to approve Amendment One to the Settlement Agreement Between Carson City Nugget, Inc., Carson Nugget, Inc., and Carson City Regarding Abandonment of Streets.

Staff Summary: On April 3, 2008 the City and the Nugget agreed to settle a dispute regarding the abandonment of Plaza Street in 1974 and the abandonment of Spear Street in 1980. The agreement requires the City to contract with a development finance consultant to complete a feasibility study to facilitate public-private partnerships as they relate to the current and future market demands within the Redevelopment Area of Downtown Carson City. On May 8, 2008, the Board of Supervisors and the Nugget agreed to consider amending the Settlement Agreement to allow the Nugget to hire the consultant to complete a feasibility study. The Nugget has indicated that it may decide to enter into a number of contracts for smaller feasibility studies, but understands that the City's contribution is limited to a not to exceed amount of \$50,000.00. Nugget agrees to share the reports with the City. There are no other amendments expected to be made to the Settlement Agreement and the other terms and conditions of the Agreement remain in effect.

Type of Action Requested:	(check one)
() Resolution	() Ordinance
(X) Formal Action/Motion	() Other (Specify)

Does This Action Require A Business Impact Statement: (____) Yes (X) No

Recommended Board Action: I move to approve Amendment One to the Settlement Agreement Between Carson City Nugget, Inc., Carson Nugget, Inc., and Carson City Regarding Abandonment of Streets.

Explanation for Recommended Board Action: On April 3, 2008 the City and the Nugget agreed to settle a dispute regarding the abandonment of Plaza Street in 1974 and the abandonment of Spear Street in 1980. The agreement requires the City to contract with a development finance consultant to complete a feasibility study to facilitate public-private partnerships as they relate to the current and future market demands within the Redevelopment Area of Downtown Carson City. On May 8, 2008, the Board of Supervisors and the Nugget agreed to consider amending the Settlement Agreement to allow the Nugget to hire the consultant to complete a feasibility study. The Nugget has indicated that it may decide to enter into a number of contracts for

smaller feasibility studies, but understands that the City's contribution is limited to a not to exceed amount of \$50,000.00. Nugget agrees to share the reports with the City. There are no other amendments expected to be made to the Settlement Agreement and the other terms and conditions of the Agreement remain in effect.

Applicable Statute, Code, Policy, Rule or Regulation: N/A

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Fiscal Impact: The fiscal impact will change from the one set forth in the Settlement Agreement. The fiscal impact is \$50,000.00.

Funding Source: Capitol Acquisition Fund-Downtown Revitalization 220-0000-430-03-10

Supporting Material: Settlement Agreement dated April 3, 2008 and Amendment One to the Settlement Agreement between Carson City Nugget, Inc., Carson Nugget, Inc. and Carson City Regarding Abandonment of Streets.

Prepared By: Melanie Bruketta, Chief Deputy District Attorney

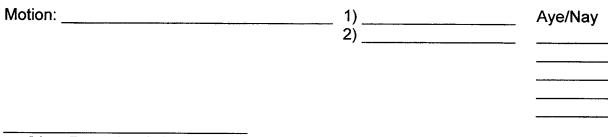
Reviewed By:	
(City Manager)	10 aller 8
(District Attorney)	
Dasaff	Mulsh
(Finance Director)	

Date:	5/27/07
Date: _	5/27/02/

_____Date: _____/05______

Board Action Taken:

. 2-1



(Vote Recorded By)

AMENDMENT ONE TO THE SETTLEMENT AGREEMENT BETWEEN CARSON CITY NUGGET, INC., CARSON NUGGET, INC., AND CARSON CITY REGARDING ABANDONMENT OF STREETS

THIS AGREEMENT is made and entered into this ____ day of ______, 2008, by and between CARSON CITY NUGGET, INC. and CARSON NUGGET, INC., hereinafter referred to as "NUGGET", and CARSON CITY, a consolidated municipality and political subdivision of the State of Nevada, hereinafter referred to as "CITY", as follows:

WHEREAS, NUGGET claims to have suffered certain injuries and damages as a result of its payments to the CITY for the CITY's abandonment of certain portions of Plaza Street and abandonment of certain portions of Spear Street; and

WHEREAS, the claims of NUGGET arising out of the Abandonments are set forth in and are subject of that certain Case No. 00-00262A filed in the First Judicial District Court of the State of Nevada, in and for Carson City (hereinafter referred to as "Action"), wherein CITY is the Defendant and NUGGET is the Plaintiff; and

WHEREAS, the parties to said litigation arrived at a mutually satisfactory resolution of their dispute and potential claims on April 3, 2008 which is memorialized in the "SETTLEMENT AGREEMENT BETWEEN CARSON CITY NUGGET, INC., CARSON NUGGET, INC., AND CARSON CITY REGARDING ABANDONMENT OF STREETS" (hereinafter referred to as the "Agreement") dated April 3, 2008; and

WHEREAS, paragraph 23 of the Agreement permits the parties to amend the Agreement; and

WHEREAS, this is the first amendment to the Agreement; and

WHEREAS, NUGGET and CITY desire to amend paragraph 11 of the Agreement which currently states:

11. CITY shall contract with a development finance consultant to complete a feasibility study and facilitate public-private partnerships as they relate to the current and future market demands within the Redevelopment Area of Downtown Carson City which study shall be jointly owned by NUGGET and CITY. The contract will be presented to the City for approval within one month of approval of this Agreement. If the cost of the feasibility study exceeds \$50,000.00, CITY will pay the additional costs but will reduce the \$481,088.00 that is to be used towards projects listed in paragraph 7 of this Agreement or paragraph 8 of this Agreement in an amount not to exceed \$50,000.00.

NOW, THEREFORE, the parties agree to amend paragraph 11 to read as follows:

11. CITY shall pay to NUGGET an amount not to exceed \$50,000.00 should NUGGET elect to hire consultants to conduct a feasibility study or studies relating to the NUGGET and its location in the downtown redevelopment district which study may include other portions of the downtown redevelopment district. NUGGET will submit all proposals for the feasibility study, in advance, to the Office of Business Development Manager for approval of the costs. NUGGET understands and agrees that the CITY will pay no more than \$50,000.00 toward the cost of the study(ies). NUGGET agrees to submit all invoices to the Office of

Business Development Manager upon completion of any feasibility study and further agrees that at such time as CITY has reimbursed NUGGET the \$50,000.00, all additional costs will be paid by NUGGET. NUGGET agrees to complete the study(ies) no later than May 1, 2009. CITY agrees that it will pay the cost of the invoiced amount to NUGGET within two weeks of submittal of the invoice. CITY understands that any reports will belong to NUGGET, however NUGGET agrees to allow CITY to review the entire contents of the reports and use these contents to assist with other projects in the Downtown area as long as none of the Nugget's proprietary information is disclosed to any third parties. CITY will not disclose any confidential information in any feasibility report that is marked "confidential", unless ordered to do so by a court of competent jurisdiction.

IT IS FURTHER AGREED by NUGGET and CITY that no other provisions of the Agreement are affected by this amendment.

IT IS FURTHER AGREED by NUGGET and CITY that this amendment will be attached to the SETTLEMENT AGREEMENT BETWEEN CARSON CITY NUGGET, INC., CARSON NUGGET, INC., AND CARSON CITY REGARDING ABANDONMENT OF STREETS" dated April 3, 2008.

CARSON CITY, NEVADA.

By:

MARV TEIXEIRA, Mayor

ATTEST: _

ALAN GLOVER, Clerk/Recorder

Ву:		lts:
CARSON NUGGET, INC.,	a Nevada corporation	
Ву:		lts:
STATE OF NEVADA)): ss.)	
On this o	lay of, 2	
		and acknowledged to me that they

executed the foregoing Agreement.

CARSON CITY NUGGET, INC., a Nevada corporation

NOTARY PUBLIC